

John Neerhout, Jr.

01 May. 2004

Mr. Robert L. Dennee  
Senior Lands Officer  
Gallatin National Forest  
U.S. Forest Service  
P.O. Box 130  
Bozeman, Montana 59771

Dear Mr. Dennee,

RE: USFS/SMR BRACKETT CREEK LAND EXCHANGE  
NEW ROAD CONSTRUCTION

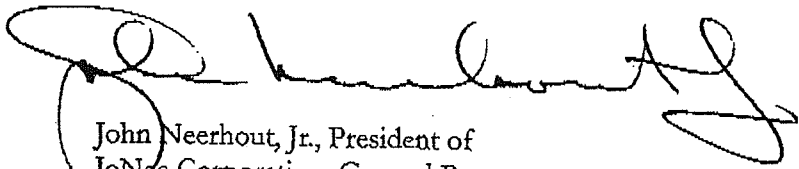
Exhibit C, Paragraph 11 of the AGREEMENT TO INITIATE between Sacagawae Meadows Ranch, L.P. and the U.S. Department of Agriculture Forest Service, dated June 2000, requires SMR to build a new North Brackett Creek Road and Trailhead (Section 11,c), and improve and extend the South Fork Brackett Creek Road (Section 11,d).

Section 11(e) states that "Prior to executing a binding Exchange Agreement, Forest Service will provide SMR with locations and construction specifications for the NFS roads and trailhead to be built by SMR as provided in subparagraphs (c) and (d) above". It goes on to say: "Should the cost of the roads and trailhead be unacceptable to SMR, SMR shall have the right to discontinue the exchange process".

On behalf of SMR, I have reviewed the Forest Service locations and specifications, and the estimated costs of installing Replacement Roads #6607 and #631/631A and find them reasonable and acceptable. SMR will provide these roads following execution of the Exchange Agreement.

Very truly yours,

Sacagawae Meadows Ranch, L.P.



John Neerhout, Jr., President of  
JoNee Corporation, General Partner

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